CIACO NID 81

November 20, 1981

USSR-POLAND: Polish Aid Requests Rebuffed

Polish Polithuro members Czyrek and Olszowski reportedly were turned down early this month when they sought Soviet political and economic support for the Jaruzelski regime.

The Soviets are said to have received Czyrek with "deep hostility" and refused his request that they endorse the policy of national reconciliation. They also refused to discuss the 1982 trade protocol, except to stipulate that maintenance of Soviet exports at the 1981 level would depend upon Poland fulfilling all its export obligations to the USSR--an unlikely prospect.

Olszowski reportedly was received more cordially but failed to secure a requested \$2 billion loan. After the visit, he expressed the view that lack of sufficient economic support from East or West will lead to chaos during the coming winter and that Soviet intervention will be the only way to restore law and order. He has reportedly expressed willingness to lead a hardline administration after intervention to restore Poland as a viable nation.

The rebuff is consistent with Moscow's previous handling of the Polish situation. An announcement of political or economic support so soon after party leader Jaruzelski's appointment would have marked a departure from Moscow's wait and see attitude toward the new party leader.

The Soviets have long opposed the policy of reconciliation, identifying it with a readiness to compromise with "extremists." Moreover, Moscow has little interest in concluding the trade negotiations, which it views as a form of leverage over the Poles.

The Poles probably do not consider the Soviet rejection as final, but it may prod them to even greater efforts to get assistance from the West. It could also give them even more incentive to reach compromises with Solidarity on stabilization measures—such as price increases—that are needed to help correct imbalances in the economy.

Approved for Release Date Aili 1999